House Bill 260

By: Representatives Jacobs of the 80th, Scott of the 2nd, Lindsey of the 54th, Millar of the 79th, Chambers of the 81st, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated,

2 relating to revenue bonds, so as to require that certain authorities of this state obtain the

3 approval of the governing authority of certain counties or municipalities prior to issuing

4 revenue bonds or spending revenue from such bond issue; to provide for a definition; to

5 provide for an exception; to provide for related matters; to repeal conflicting laws; and for

6 other purposes.

7   BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8   **SECTION 1.**

9 Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, relating to

10 revenue bonds, is amended by revising Code Section 36-82-63, relating to the adoption of

11 resolution authorizing undertaking and issuance of revenue bonds, as follows:

12 "36-82-63.

13 (a) Except as provided in subsection (b) of this Code section, the The acquisition,

14 construction, reconstruction, improvement, betterment, or extension of any undertaking and

15 the issuance, in anticipation of the collection of the revenues of such undertaking, of bonds

16 to provide funds to pay the cost thereof, may be authorized under this article by resolution

17 or resolutions of the governing body, which may be adopted at a regular or special meeting

18 by a majority of the members of the governing body. Unless otherwise provided therein,

19 such resolution or resolutions shall take effect immediately and need not be laid over or

20 published or posted. The governing body, in determining such cost, may include all costs

21 and estimated costs of the issuance of the bonds; all engineering, inspection, fiscal, and

22 legal expenses; interest estimated to accrue during the construction period and for six

23 months thereafter on money borrowed or which it is estimated will be borrowed pursuant

24 to this article; and moneys not in excess of an amount equal to 15 percent of the total

25 principal amount of each such bond issue, to establish a debt service reserve with respect

26 to principal and interest requirements on the bonds.

1   (b)(1) As used in this subsection, the term 'registered development authority' means a

2   local government authority, as defined in Code Section 36-80-16, that at the time of

3   issuance of such bonds is registered with the Department of Community Affairs as

4   required by Code Section 36-80-16, and that has purposes or powers relating to trade,

5   commerce, industry, agriculture, or employment opportunities.

6   (2) As a condition precedent to the issuance of revenue bonds or the expenditure of

7   proceeds from such bonds, a local authority shall comply with the requirements of this

8   subsection. With respect to revenue bonds to be issued by any authority of this state

9   whose jurisdiction is wholly within the boundaries of a single county or municipality:

10   (A) If the jurisdiction of the authority is wholly within the boundaries of a single

11   county, but not wholly within the boundaries of a single municipality, the authority

12   shall be required to obtain prior approval of the purposes for issuing such revenue

13   bonds through the adoption, by a majority vote of the governing authority of the county,

14   of a resolution approving such purposes.

15   (B) If the jurisdiction of the authority is wholly within the boundaries of a single

16   municipality, whether or not the jurisdiction of the authority is wholly with the

17   boundaries of a single county, the authority shall be required to obtain prior approval

18   of the purposes for issuing such revenue bonds through the adoption, by a majority vote

19   of the governing authority of the municipality, of a resolution approving such purposes.

20   (3) This subsection shall not apply to registered development authorities."

21   **SECTION 2.**

22   All laws and parts of laws in conflict with this Act are repealed.

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